THE HIGHEST PRICE MAY NOT BE THE BEST DEAL

All sellers want the highest price possible! However, in some cases, the highest price may not be the best deal. A high price may come with some stipulations or contingencies that may not be in the seller's best interests. What alternatives can compensate for a high price? Here are a few:

- A deal with few contingencies, stipulations or warranties
- No buyer-contingent liability
- All cash
- Some additional deferred compensation
- Tax advantages such as a "stock" deal or a "pooling"
- A fast closing period
- Employment contracts to key people and/or others besides senior management
- Sellers disposing of non-operating and non-performing assets prior to closing
- Assurance that plants will not be closed and/or employees laid off
- Focus on increasing chemistry and trust
- Offer to buy 80 percent (+/-) of company, leaving up-side potential for remaining equity
- Persuade sellers that a win-win transaction is necessary for long-term success
- Buyer has record of success, indicating likelihood of long-term survival
- Assurance Company will not be re-sold in the short-term

Your M&A Source professional can assist you in analyzing any of above.

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